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ABSTRACT

The mission of the study reported here was to provide a better understanding of the existing financial arrangement for elementary and secondary education, to design alternative systems where they appeared to be justified, and to recommend systems that would provide like amounts of dollars for students with similar characteristics (deaf, blind, disadvantaged, etc.) in all school districts. The document examines the study team organization, their methods of data collection and analysis, and their recommendations for school finance reform. The document describes the main features of the Florida Education Finance Program Act of 1973, enacted as a result of the study recommendations. The paper concludes with a list of recommendations that other States might find useful in setting up a State school finance study. (Author/DN)

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DESCRIPTION AND ANALYSIS OF THE PROCESS AND METHODOLOGY OF A SCHOOL FINANCE STUDY IN FLORIDA

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INTRODUCTION

The purpose of this paper is to provide an ex post description, analysis and evaluation of the processes and methodologies employed in the development of the "Florida School Finance Study." This study was conducted under the auspices of the Florida Citizens' Committee on Education and comprised a subset of the total issues addressed by the Committee.

The Committee, appointed in the summer of 1971 by Governor Reubin Askew, and funded by the Florida Legislature,[1] was charged with the responsibility of studying all levels of education and making recommendations to the people of Florida (and the Legislature) for ways to improve schools. The Committee, which ended its two year role in June, 1973, was composed of twenty-two members appointed so as to reflect and represent the diversity of Florida's citizenry.

During the first year (FY '71-72) the primary focus of the Committee was on the state level education governance structure in Florida and it was not until May, 1972, that the Committee expanded its focus and addressed the following topics: state

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[1]Additional funds of about $93,000 were provided by the Ford Foundation for the finance study. About $25,000 for indirect support was appropriated by the Legislature, thus making the total cost of the finance study about $118,000.

responsibility; the community and the school; the school program; school services; professional development; educational assessment, research and development; post-secondary education; and finance. The results of the Committee's efforts are best revealed by a close examination of the final report, Improving Education in Florida, which includes the complete text of the "Florida School Finance Study."[1] In short, the Committee's recommendations numbered 104, of which about 25 emanated from the "Florida School Finance Study."

Composition of the Citizens' Committee

As all who are familiar with state government, and especially education, know, change comes hard and slow. Often times this results not from absence of new ideas and improvements, but rather from inadequate dissemination and understanding of the proposed changes.

This writer views as one of the most important first steps of a major finance reform the involvement of "key" people. Whether reporting to a governor, chief state school officer or legislature, recommendations for change are usually assessed first in terms of who was involved in making the recommendations.

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[1]The Florida School Finance Study: A Technical Report to the Governor's Citizens' Committee on Education, Walter I. Garms, Michael W. Kirst, Marshall A. Harris, William Furry, pages 77-312, in Improving Education in Florida, March 15, 1973, Tallahassee, Florida.

In this regard, the Governor's Citizens' Committee on Education was comprised of many influential people. They were leaders, not so much in education, as their respective fields. Business and civic leaders, a university student body president, a minister, a medical doctor, and six legislative leaders sat on the Committee. The chairman of the subcommittee on finance was a lawyer who successfully represented several counties that challenged the use of property assessment ratios in state school finance formulas.

Notably absent was a professional educator, a factor the Governor said would prevent the committee from being influenced by preconceived notions.

Chaired by a former Speaker of the House of Representatives from a poor urban district who was committed to equalization of educational opportunities, the Committee members also included the existing Speaker of the House, also from a poor urban district (and the first Speaker who previously was chairman of the House Education Committee), the chairman of the House Subcommittee on Education Finance, a political minority person who was on the House Education Committee and two leading Senators.

Advisory Council to Finance Study

At the beginning of the study in early July, 1972 a prominent group of national and state education finance experts were requested to serve in an advisory capacity to the finance study. These advisors included Dr. R. L. Johns, (National Education Finance Project); Dr. Alan Thomas, (University of Chicago); Dr. Wendell Pierce, (Education Commission of the States); Dr. Carl Blackwell, (Florida Department of Administration); and Mr. Herman Myers, (Florida Department of Education).

The Advisory Council was called together formally only one time, in early January, 1973, but their contributions were nonetheless significant. Politically, the Advisory Council's prominence in school finance added credibility to the finance study; and technically, the Council provided useful recommendations to the study team. Prior to the meeting, as major analyses, findings and conclusions were reached, they were communicated to the advisory council, with reactions and remarks solicited. Appendix A shows an example of one such reaction from an advisor.

The meeting of the Council in January actually was the unveiling of the first full draft of the finance study. Based upon suggestions from the advisors, several changes, additions and a few deletions were incorporated into the study prior to submission to the Citizens' Committee.

MISSION OF THE FINANCE STUDY

The principal topical areas explored in the finance study were the distribution of financial resources (for both current operations and capital outlay) between school districts, and secondarily the intradistrict distribution of resources. Like amount of dollars for students with similar characteristics (deaf, blind, disadvantaged, etc.) in all school districts was the guiding principle.

Generally the objectives were to (1) provide a better understanding of the existing financial arrangements for elementary and secondary education[1], and (2) to design alternative systems where they appeared to be justified. More specifically, the mission of the finance study was to analyze and make recommendations on:

1. The financial impact and consequences of the existing program for financing elementary and secondary education.
2. Allocation of funds and educational resources within county school districts to assure intradistrict equity.
3. Alternative plans for distributing school revenues, including current operating expenditures plus transportation, vocational education, education of migrants, and other special expenditure categories.
4. Financing capital outlay.

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[1]Prior to June 26, 1973, the system for financing elementary and secondary education in Florida was called the Minimum Foundation Program (MFP). A summary of the MFP appears in Appendix B.

5. Educational finance adjustments that should be made for urban areas, geographical differences in cost of living, incidence of low income families and so on.

6. Some selected issues for improved efficiency in school operations with particular emphasis on efficiency issues related to state school aid formulas and school-by-school performance.

7. Improving the relationships between financing higher education and other levels of education.

Precedent Factors to Finance Reform

A major study of all aspects of educational finance in Florida had not been conducted since 1946, and that study led to the establishment of the "Minimum Foundation Program" (MFP) and other significant educational changes. Since then, however, only incremental, piecemeal changes were made to the finance system, and as a result the MFP had become very complicated and difficult for many educators and most legislators to understand. Particularly important was the legislative attitude toward the MFP. Writing about the recently replaced MFP, a former legislative analyst stated, "To most members of the Legislature, the Minimum Foundation Program and related state funding formulas are an enigma filled with confusion, technical formulas, and excessive datail."[1]

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[1] Clem Lausberg, "A Strategy for the 70's in Florida Public School Finance," October, 1969, p. 1.

The legislature was committed to equality of educational resources, as evidenced by the School Equalization Act of 1970 which put Florida on a course to fully equalize seven of its allowed ten mill local levies. But, they were frustrated. Very few legislators could explain the MFP to their constituency. And the information basis for policy-making was dominated almost entirely by the executive (Department of Education) branch. In short, the legislature wanted a new funding formula, one which they could understand, explain, and moreover, one which would serve as a vehicle for effective policy-making.

The time was ripe for change, not just piecemeal change, but major reform. But, to facilitate this change, a comprehensive package was needed, justified by empirical research, to replace the existing system of educational finance. And this is what the Florida School Finance Study proved to be -- a set of recommendations which fit together to form an integrated package. In fact, the recommendations were presented as "a balanced package"[1], and a strong preference of raising or lowering the price of the package by increasing or decreasing the dollar value per weighted full-time equivalent student (FTE) was set forth as a priority recommendation.

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[1]The balanced package consisted of several integral components which resulted in a high degree of fiscal equity among all counties. For example, high cost of living districts received supplements for this reason, and poor districts received additional ad valorem equalization support.

Money Helps

This was the year of the Florida surplus -- some $300 million. Change in school finance systems are usually costly, and it is more palatable to fund such change from an accrued surplus instead of having to raise new money.

Some viewed the finance reform as a vehicle to enable education to receive a substantial share of the surplus. In Florida, education usually received about 50 percent of new monies available, and this year saw that percentage increase to about 60 percent. As it turned out, those who wanted more dollars were equally as successful as those who wanted change.

The Florida Setting

In some important respects Florida already had a unique set of characteristics which were very conducive to a sound and equitable system of education finance. (1) School districts are unified K-12 and coterminus with the 67 counties. (2) Millage levies are set by local school boards and for operating purposes levies are limited (statutorily) to ten mills on full value (100 percent) assessed valuation. (3) Property tax assessors operate on a countywide basis.

Unlike most states the major problem was not consolidation of school districts. In fact, in many instances, Florida has the opposite problem. With Dade County (250,000

students) and a half dozen other districts containing the majority of school children, the need was for decentralization. Nor were there tremendously large differences in tax effort for operating purposes, with the lowest district over seven mills (operating) and the vast majority -- 45 districts containing about 90 percent of the students -- at ten mills, the maximum amount allowed.

But like most states the wealth of school districts varied tremendously (10 to 1), even with the built-in equalizer of a countywide property revenue base.

A Validating Study

Concurrent with this study the National Education Finance Project (NEFP) headquartered in Gainesville, Florida, was conducting an education finance study for the Florida Department of Education. Although Dr. Roe L. Johns, a member of the Advisory Council for this study, and others from NEFP were in contact occasionally with this study, the two studies were made completely independent, and neither group tried to influence the other. As discussed in a later section, the recommendations of these studies were similar, and served to reinforce the validity of one another. This was especially important since Dr. R. L. Johns is considered the father of the recently replaced MFP in Florida, having done much of the work for a similar Citizens' Committee 27 years ago (in 1946).

STUDY TEAM ORGANIZATION AND WORK PROCEDURES

The finance study team consisted primarily of four people: two principal consultants, a research associate, and an on-site coordinator. In addition, three other consultants were involved. One wrote the section dealing with the school-by-school information system; another assisted in adapting the National Education Finance Project (NEFP) computer program to the needs of a Florida study[1], and; another consultant analyzed future enrollment and teacher supply trends. The study team was under the general supervision of the Executive Director of the Governor's Citizens' Committee on Education.

At periodic intervals beginning in the spring of 1972, the plans, proposals and accomplishments of the finance study were presented to the full committee at their scheduled monthly meeting.[2] Appendix C contains summaries of these presentations, and depicts the progression of the finance study from a conceptual idea to specific findings and recommendations.

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[1] A separate report prepared by the study team entitled, "The Florida School Finance Model: A Computer Simulation Adapted from the National Education Finance Project" details the technical aspects of the computer model as adapted to Florida and is available from this writer.

[2] The Citizens' Committee met approximately once a month usually for 1 and 1/2 to 2 days, during its existence. Only three full meetings (about 5 days) were devoted almost exclusively to finance. These full days (in January and early February, 1973) were for consideration of the first full draft of the Florida School Finance Study Technical Report. As shown in Appendix C, prior presentations to the Committee were relatively brief, designed to inform the Committee of the progress and plans of the finance study, and to solicit comments and suggestions from Committee members.

At no time were constraints nor pressures of any kind placed on the study team relative to the strategical and tactical approach of the finance study. In fact, at the beginning of the study, the Executive Director and the Chairman of the Citizens' Committee informed the study team of their complete independence in their approach, procedures, judgments and conclusions, albeit the final recommendations to the Governor and the Legislature would be voted by the Committee. Thus, the findings and recommendations of the finance study represent fully the conclusions and judgments of the study team. In retrospect, the Committee concurred almost totally with the study team recommendations, and thus the study team recommendations became, with very slight modifications, the recommendations of the Committee.

In the course of the study the finance team conferred closely and sought comments from a wide sector of Florida citizens, educators, and organizations, including State Department of Education officials, individual district superintendents and the Superintendent's Association, district finance officers, staff of the Florida Education Association, the Governor's budget-makers, legislative staff and members of the Florida Legislature.

While most of the interactions were in the form of personal interviews and verbal communications (e.g. members of the finance study team spoke, at various times, to: a statewide meeting of the Superintendent's Association; a

meeting of the League of Women's Voters; representatives from the PTA, and; several disciplinary interest groups such as the Art Association and the Music Association), later sections of this paper indicate examples of written communications.

Early in the study, specific tasks and analyses were delineated among the study team, and, in most instances, one person assumed responsibility for a particular task or tasks. As strategies, methodologies, preliminary findings and conclusions on each task were developed, they were relayed to the rest of the study team. Thus, each member of the study team always knew the status of the others' tasks, and on many occasions, additional input (data, ideas, suggestions, etc.) were given to one another. In addition to almost daily telephone contact, and frequent correspondence, periodically, on about a monthly basis, the four primary members of the study team met personally to review the work progress, exchange ideas, modify work plans or redistribute sub-tasks.[1]

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[1]The home base location for one principal consultant was New York, and the other was based in California. The principal research associate worked in Tallahassee, and other parts of Florida, for about five months (June through October), while the coordinator was in Tallahassee throughout the study period. These geographical differences necessitated such a communications network.

DATA COLLECTION AND ANALYSIS

One indicator of the probably success of state school finance reform is the extent to which information is available -- information and data which not only describe the present system, but which are useful for analytical purposes. Coupled with this is the degree to which people can be mobilized to gather data and present it to the researchers in a meaningful form.

Fortunately, a great deal of data existed in Florida. Some data (documents) were well-known to Department of Education officials and legislative analysts, and these were made readily available to the study team. However, frequently the information served only to prompt the raising of more questions -- questions which could not be answered from widely distributed documents. In turn, this directed the study team to probing armed with specific questions for certain types of information. The study team soon found that most kinds of information and data needed existed within the Capitol complex in Tallahassee -- in either the executive or legislative branch.

The major problem was WHERE, and WHO was the person with whom to talk. Thus, the early stages of tne study began with very frequent visits and telphone conversations to the operational staff of various state agencies.

The benefits derived from personal visits (interviews) were found to be substantially greater than telephone calls or written requests. The heuristic nature of the initial study design required sets of sequential inquiries, with the answers from one suggesting the questions to the next. Like any study of this kind, resources -- time, personnel and money -- were limited. Therefore, in order to minimize original data gathering, this technique of secondary information sources was used extensively.

The personal contacts and lengthy discussions (often for several hours) provided many beneficial inputs to the study team. On several occasions, these inputs suggested modifications and revisions to study designs. And in a few instances, new study designs were initiated and old ones dropped. Moreover, these discussions provided the study team with a more intimate knowledge and understanding of the present system.[1]

In several instances a series of interviews led to more comprehensive, detailed, written follow-up to one particular agency. For example, it was learned early that many people had thought about the problems and solutions of capital outlay. Legislators spoke of the capital outlay system in higher education, educators pointed to faults in the present system, and

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[1]Appendix D contains notes and summaries of various discussions and personal interviews by members of the study team. These were distributed among all members of the study team.

some administrators had begun extensive groundwork for a new system of capital outlay. Appendix E is a synthesis of a variety of interviews into a suggested methodology to derive the dollar capital outlay needs in each school district which was sent to the Department of Education as a "request for data".[1]

In order to be able to distribute draft copies of the finance report only about seven months from the beginning of the project required an intensive time and energy commitment by the study team. Initial data gathering for use in the computer simulation was complete by mid-August.[2] By the end of August, a separate (from the NEFP adapted simulation) computer program had been developed which provided detailed analyses of instructional salaries and MFP salary allocations. In addition, the counties for the intradistrict study of allocation of resources had been selected, procedures for collection data were developed and data collection was underway.[3]

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[1]The Department of Education had already developed the Florida Inventory of School Houses (FISH) system and were in the advanced stages of data collection when this was sent.

[2]Appendix F shows the kind and source of data required for the computer simulation.

[3]Appendix G sets forth the criteria for the selection of counties and the data collection procedures for the intradistrict studies. A shortage of time and problems in retrieving data forced the analysis of one county to not be completed.

In order to determine the practical effects of the organizational and psychological dependence on the "instruction unit" (finance distribution unit in Foundation Program), the questionnaire appearing in Appendix H was sent to the superintendents of forty school districts, thirty largest districts and a random sampling of ten of the remaining counties.

By the end of September, most major data requirements were fulfilled and many analyses had begun. Given the need for distributing the report as early a data as possible and the time necessary to analyze data, reach conclusions, and write the findings and recommendations, several time-value decisions had to be made. Since some important data would not be available until late November, the study team met together for two weeks in December in order to utilize such information and to fit each study team member's task into a unified report.

Source and Application of Most Important Data

Although a vast amount of data was utilized and presented in the finance study, some data were primarily supportive and descriptive. Listed below is a table outlining the most useful data, its source, and application. Since the key recommendations of the finance study could not have been supported without these data, this writer views these data as critical to the study process and to justification of the recommendations to the Legislature and others.

TABLE I

TYPE OF DATA	SOURCE	APPLICATION
1. State, local and federal revenue	State document (Commissioners' Annual Report of Pupil, Personnel, and Financial Data)	Various analyses of the distribution of wealth; served as major data for computer simulation of impact and consequences of existing school finance system
2. Property valuations	State agency	Together with number of students served as wealth index; wealth per student correlated with revenue per student indicates extent of fiscal inequities; used to categorize districts
3. Socioeconomic indexes of each of 67 counties (population change over time, urban-rural index, percent black population, crime rates, years of schooling of adults, income levels)	State documents	Description of school districts; various correlations
4. Indicators of school process and test scores	State documents, and State University	Description of school districts; various correlations, including correlation of districts' expenditures and test scores.
5. State salary allocations	State documents	Analysis of salary allocations in terms of district wealth
6. Time and number of pupils in exceptional child programs	Interview with state education official and state document	Derive implied weightings (cost factors) of full-time and part-time exceptional child programs
7. Capital outlay funds: transfers from operating fund to capital outlay, state allocations, building and site costs, historical bond election results, historical changes in building costs, outstanding indebtedness of districts	State documents and State Department of Education "in-house" analyses	Description and analysis of financing capital outlay

	TYPE OF DATA	SOURCE	APPLICATION
8.	Existing (1971-72) and projected (1976-77) capital outlay dollar needs	State Department of Education "in-house" analysis in cooperation with methodology developed by finance study team; Department of Education had been working on a system for collecting such data (Florida Inventory of School Houses) for some time.	Description of present and future capital outlay needs and amounts of additional funds required to meet needs; also illustrated differences between present system of determining capital needs (need criteria being defined by each district) and proposed system (standardized statewide need criteria)
9.	Number of schools and students on double and triple sessions	Study prepared for the National Education Finance Project	To illustrate pressing need for reform of capital outlay financing
10.	Bond costs to finance capital outlay needs	Analysis by study team	To determine cost of finance study recommendations to meet capital outlay needs
11.	Cost-of-construction indexes (county-by-county)	Private real estate appraisal firm	Used for adjusting (county-by-county) capital outlay needs to equal purchasing dollars
12.	Wage data for areas in Florida	U. S. Bureau of Labor Statistics reports	Illustrates differing wage levels and suggests need for cost differentials in finance formula
13.	Cost-of-living indexes in all counties	Contracted study which cost $250,000, done for State; this study will be conducted annually. The following section of this report presents the general methodology and findings of this study.	Used in computer simulation of alternative finance distribution schemes in order to equalize purchasing power of educational dollars in each district
14.	Tax data: Florida effort compated to national and regional average effort	ACIR; NEA Ranking of the States	Description and comparison of Florida's relative tax effort
15.	Number of children (county-by-county) below poverty level	U. S. Census, Fourth Count	To determine need for compensatory education funds
16.	Existing funding level (federal money) of compensatory education	State document	Analysis to determine need for State compensatory education money

TYPE OF DATA	SOURCE	APPLICATION
17. Wealth measures (county-by-county): assessed valuation per student, income per capita	State documents	Description of interdistrict school revenue potential
18. Intradistrict (school-by-school) expenditures	Original data gathered from school board records; analysis prepared by study team	To test intradistrict equity in the allocation of resources
19. Intradistrict staffing formulas (teachers and support staff)	Original data gathered by questionaire in Appendix H	Descriptive analysis of the effects of the state school finance formula on intradistrict staffing patterns
20. Migrant farm child: number of children, existing expenditures, number of children served	Report prepared for State Department of Education	Description of extent of service to migrant children
21. Property valuation for past six years	State documents	To predict assessed valuation (using multiple regression) over next five years
22. Vocational education: enrollment, interdistrict availability of vocational education, existing funding formula	State documents and personal interviews	Description and analysis of vocational service as compared to district wealth/urbanity
23. Teacher supply and demand: teacher degrees awarded in state (by degree level); education colleges student enrollment and number of faculty; elementary and secondary education enrollment projections	State documents	To analyze relationship between elementary-secondary enrollments and growth (or decline) in teacher training institutions

Cost of Living Differentials

The cost of living differentials in Florida school districts which were used in the finance study and which were ultimately incoporated into the Finance Act were based upon a study conducted under contract through the State Universities. Summarized below is the general methodology and findings of this study.[1]

Basically, the study shows the results of pricing an identical "market basket" of goods and services in twelve (of Florida's 67 counties) representative Florida counties. The counties were chosen in a manner to represent the entire range of different price levels in the State. Based on economic criteria, these measured prices are utilized to estimate the average price level in the remaining counties. The "market basket" of goods and services was taken from the Orlando, Florida component of the National Consumer Price Index Series. An index indicating differentials in the average price level among the Florida counties was calculated from the prices obtained.

As an example of the meaning of the county price level index, it is indicated by the Final Price Level Index (see Table 4) that the cost of living for a person living in Dade

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[1]The entire final report, Florida Cost of Living Research Study: Florida Counties Price Level Index, is available from the Department of Administration, State Capitol, Tallahassee, Florida 32304.

County in 1972 was 10.3% higher than the state average. That is to say, a person who lives in Dade County has to spend more money to maintain a certain standard of living than he would have to spend to maintain that same standard of living in another county, about 10% more than if he lived, for example, in Leon County.

Table 2, "Index of Major Item Categories", shows the indices of the measured prices found in the survey counties classified into five categories. As can be seen, the largest cost differential among the counties was in housing, while the least cost difference was in food. In this table also is found the weight each of these major categories had in determining the total index. These weights are those used in the Consumer Price Index for the Orlando "market basket."

Table 3, "Unadjusted Price Level Index", shows the results of utilizing the measured prices to estimate the price level in those counties which were not surveyed. The primary purpose of this estimated index is to find out which price level group a particular county should enter and hence this index should not be used as the accepted measure of price level differences.

The "Final Adjusted Price level Index" (Table 4) shows the recommended county grouping and the corresponding price level index number. The counties having index numbers that are not statistically significantly different are grouped together. This final price level index does not show the dollar cost of living for a family. The combination of average prices and the

standard of living of a family determines their dollar cost of living. This study relates to the standard of living of urban wage earners and clerical workers as does the National Consumer Price Index. The Index shows the relative price levels which this group would encounter for this specified standard of living in the different counties.

The "Final Adjusted Price Level Index" are the county index numbers which have been adopted by the Department of Administration and recommended to the Legislature for determination of any cost of living adjustment.

Cost of living indexes will, of course, have a range of values from the highest to the lowest cost of living districts. There are two alternatives for using such indexes in a school finance formula. (1) The lowest index can be set at a base value with all other indexes scaled upward. (2) The base value can be the statewide average, thereby resulting in some districts being above and some below the base.

While the first alternative may be more acceptable politically, it also can be quite costly since it requires "new" funds. On the other hand, the second alternative can be less costly, or even "money producing," because the saving (to the state) realized from districts below the base value can be shifted to fund the additional costs of the indexes above the base value. The Florida Education Finance Program Act utilizes the second approach. Most of the counties

were below the base value (see Table 4) while three of the largest counties (Dade, Broward and Palm Beach) were above the base value. The dollar effect of using the indexes in this way was to lessen by some $28 million the state allocation to the 56 counties below the statewide average cost of living index, and to increase by about $24 million the state allocation to the three counties above the statewide average. The difference of $4 million accrues to the state, and is distributed in other aspects of the formula.

INDEX OF MAJOR ITEM CATEGORIES IN THE TOTAL

PRICE LEVEL INDEX FOR THE SURVEY COUNTIES, 1972

(Statewide average = 100)

County	Food	Housing	Apparel	Transportation	Health Recreation and Personal Services	All Items
Alachua....	102.96	107.17	85.14	100.78	98.01	100.46
Brevard....	100.03	97.78	92.48	94.46	98.52	96.85
Dade.....	102.11	123.57	98.57	110.08	107.35	110.33
DeSoto.....	100.13	91.91	77.72	93.29	90.61	91.49
Duval.....	99.21	97.53	92.67	105.83	107.21	100.00
Escambia...	100.03	96.25	83.43	100.02	97.24	95.85
Gadsden....	104.63	79.89	84.67	98.25	77.92	87.08
Leon.....	100.52	101.97	110.77	97.55	94.88	99.85
Orange.....	101.34	101.34	101.34	101.34	101.34	101.34
Palm Beach.	102.11	111.70	99.72	101.03	114.90	107.09
Pinellas...	101.77	106.21	90.19	102.96	95.34	100.11
Polk.....	100.47	93.79	93.72	106.53	95.06	96.59
CATEGORY WEIGHTS	20.95	32.46	10.64	13.10	22.28	

UNADJUSTED PRICE LEVEL INDEX ESTIMATED

FOR ALL FLORIDA COUNTIES, 1972

(Statewide average = 100)

	COUNTY	ESTIMATED
1.	Dade**	110.33
2.	Broward	107.30
3.	Palm Beach**	107.09
4.	Orange**	101.34
5.	Alachua**	100.46
6.	Pinellas**	100.11
7.	Monroe	100.04
8.	Duval**	100.00
9.	Sarasota	99.95
10.	Leon**	99.85
11.	Collier	99.21
12.	St. Johns	98.25
13.	Seminole	97.38
14.	Brevard**	96.85
15.	Hillsborough	96.63
16.	Polk**	96.59
17.	Okaloosa	96.14
18.	Escambia**	95.85
19.	Santa Rosa	95.29
20.	Bay	95.17
21.	Volusia	94.77
22.	Clay	93.68
23.	Indian River	93.09
24.	Nassau	92.98
25.	Taylor	92.27
26.	Manatee	92.03
27.	Suwannee	91.56
28.	DeSoto**	91.49
29.	Lake	91.41
30.	Columbia	91.31
31.	Putnam	91.11
32.	Baker	90.57
33.	Gulf	90.46
34.	Martin	90.08
35.	Flagler	90.01
36.	St. Lucie	89.99
37.	Bradford	89.91
38.	Hendry	89.38
39.	Marion	89.33
40.	Lee	89.12
41.	Osceola	89.02
42.	Walton	88.35
43.	Lafayette	87.64
44.	Hardee	87.42
45.	Jackson	87.30
46.	Highlands	87.28
47.	Gadsden**	87.08
48.	Jefferson	86.83
49.	Madison	86.74
50.	Glades	86.37
51.	Calhoun	85.26
52.	Hamilton	85.15
53.	Wakulla	84.37
54.	Gilchrist	84.32
55.	Levy	84.25
56.	Sumter	84.15
57.	Union	83.91
58.	Washington	83.85
59.	Dixie	83.82
60.	Liberty	83.31
61.	Holmes	83.23
62.	Hernando	82.89
63.	Okeechobee	81.86
64.	Franklin	81.81
65.	Charlotte	79.99
66.	Citrus	75.27
67.	Pasco	74.65

** Counties surveyed, measured index.

FINAL ADJUSTED PRICE LEVEL INDEX

FOR ALL FLORIDA COUNTIES, 1972[1]

(Statewide average = 100)

	COUNTY	
1.	Dade	110.33
2.	Broward	107.19
3.	Palm Beach	107.19
4.	Alachua	100.12
5.	Collier	100.12
6.	Duval	100.12
7.	Leon	100.12
8.	Monroe	100.12
9.	Orange	100.12
10.	Pinellas	100.12
11.	Sarasota	100.12
12.	Bay	96.05
13.	Brevard	96.05
14.	Clay	96.05
15.	Escambia	96.05
16.	Hillsborough	96.05
17.	Okaloosa	96.05
18.	Polk	96.05
19.	St. Johns	96.05
20.	Santa Rosa	96.05
21.	Seminole	96.05
22.	Volusia	96.05
23.	Baker	90.99
24.	Bradford	90.99
25.	Columbia	90.99
26.	DeSoto	90.99
27.	Flagler	90.99
28.	Gulf	90.99
29.	Hendry	90.99
30.	Indian River	90.99
31.	Lake	90.99
32.	Manatee	90.99
33.	Marion	90.99
34.	Martin	90.99
35.	Nassau	90.99
36.	Putnam	90.99
37.	St. Lucie	90.99
38.	Suwannee	90.99
39.	Taylor	90.99
40.	Calhoun	84.47
41.	Charlotte	84.47
42.	Citrus	84.47
43.	Dixie	84.47
44.	Franklin	84.47
45.	Gadsden	84.47
46.	Gilchrist	84.47
47.	Glades	84.47
48.	Hamilton	84.47
49.	Hardee	84.47
50.	Hernando	84.47
51.	Highlands	84.47
52.	Holmes	84.47
53.	Jackson	84.47
54.	Jefferson	84.47
55.	Lafayette	84.47
56.	Lee	84.47
57.	Levy	84.47
58.	Liberty	84.47
59.	Madison	84.47
60.	Okeechobee	84.47
61.	Osceola	84.47
62.	Pasco	84.47
63.	Sumter	84.47
64.	Union	84.47
65.	Wakulla	84.47
66.	Walton	84.47
67.	Washington	84.47

[1]A political decision resulted in the counties with a index of 84.47 to be merged into the group with an index of 90.99. This reduced the range to about 20 percent (90.99 to 110.33).

Full-Time Equivalent (FTE) Student Data

Perhaps the most demanding data collection task involved in a weighted finance formula is for full-time equivalent (FTE student data.

The recently replaced MFP used average daily attendance (ADA) as the basic data for computing instruction units, and thus dollars in the state finance program. This method of attendance accounting for state fiscal purposes, however, created several problems, the most discussed of which was the so-called "double count". Since the accounting of ADA did not address the amount, or proportion, of time students spend in different educational programs -- such as between regular programs and exceptional child or vocational education programs -- in effect, whenever a student attended a program, regardless of the length of time, he was counted as if he was there full-time. As special programs of exceptional and vocational education expanded rapidly, so did the self-generating MFP formula. And this attracted legislative attention since the existing MFP was increasingly generating disproportionately more dollars than the rate of increase in the number of students.[1]

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[1]This was a c[illegible]cal symptom which usually indicated that some di[illegible]cts [illegible]offering educational programs in a way which earned the [illegible] state dollars. While special programs of vocational [illegible]exceptional education were more heavily weighted in the M[illegible]y means of a lower number of ADA to earn an instruction [illegible], part-time students in these programs were found to have [illegible]ied weighting of two or three times greater than simil[illegible]ul-time students. In effect, this created a fiscal incentive for districts to offer part-time special programs.

A school finance system which takes into account varying cost ranges of different educational programs (i.e. a student weighted system) requires an accurate accounting of students. To simulate new systems of school finance based on full-time equivalent (FTE) students presented a few definitional and methodological problems since students were not counted in this way previously. The student accounting system should distinguish between part-time and full-time students in order to preclude the "double-count" problem. In addition, student census counts should provide accurate information for analysis and decision-making purposes.

The concept of student attendance accounting on a full-time equivalent (FTE) basis was known well to Florida legislators and many educators. The higher education and community college systems had been using FTE student counts for funding and other purposes for several years. Vocational education at all levels were required through legislative mandate to implement an FTE system.

At the conceptual level it seemed logical and somewhat simple to extend the FTE concept to elementary and secondary education. However, at the implementation level this extension was more complex. Higher education and community colleges define an FTE in terms of student credit hours while vocational education used a strictly time-based definition -- one FTE equals 810 student hours of attendance.

Since course credits do not exist at the elementary and secondary education level, the higher education definition was inappropriate. On the other hand, the time-based definition used in vocational education was more amenable to elementary and secondary, but this approach raised certain problems.

Districts with either more wealth and/or better facilities would be able to extend the daily time offering of the curriculum in order to generate additional state dollars. A common problem was that some districts could offer extended classes in the late afternoons (sometimes called enrichment programs) whereas other districts were limited to shorter times of curriculum offerings due to inadequate money for additional teachers (or more money for the same teachers) or facilities constraints. In fact, districts heavily burdened with double sessions could not possibly extend their curriculum offerings. Moreover, the important policy question was whether or not schools should be funded on a strictly time-based system.

The definition advanced by the finance study would merely count for each student the ratio of time he spent in any given program to the total time spent in school. For example, a full-time student[1] who attended school six hours per day, two hours in a vocational program and four hours in a regular school program, would be .33 FTE in the vocational program and

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[1]Florida statutes defined a full-time student as one who attends school at least five hours per day.

.67 FTE in the regular program. In this way, the "double count" would be eliminated and funding would not be strictly time-based in the sense that one student could not generate more than one FTE. That is, regardless of the actual length of time a student attended school on a given day, he could never be counted as more than one FTE since fractional parts could not exceed one.

Another proposed FTE definition for elementary and secondary education would count all time in school as an additive process. The accumulation of a fixed number of hours (e.g. 900 hours) in attendance, or membership[1], would be equal to one FTE. This method, however, aggrevated the problems of interdistrict disparities in facilities and wealth, and was therefore rejected.[2]

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[1]An analysis by the study team indicated that the variance among districts in the ratio of student attendance to student membership was less than three percent. (This is probably caused by Florida's large size school districts which combine urban and rural areas.) Given the time and effort expended in taking daily attendance, this variance was deemed insignificant, and membership, instead of attendance, was used for all analyses. And in the new finance law FTE student accounting is on a membership basis.

[2]With this definition students in school six hours per day (as in the example above) for the minimum of 180 days per year would generate 1080 hours, or 1.2 FTE's (1080/900 = 1.2). If all districts initially (as of the beginning date of this attendance accounting system) had relatively the same operating resources and school facilities, then this definition might be more acceptable. However, given the rather large inter-district differences in the capacity of school facilities at the present time, this definition undoubtedly would cause significant differences in program offerings. Furthermore, the added state funding of these "extra" programs would drain state resources which could otherwise be used to meet the facility needs of all districts.

For study purposes, estimates of the numbers of FTE students in various educational programs based on certain assumptions had to be made. Fortunately, previous legislation directed the implementation of FTE student accounting of vocational programs, and these data were available from the Department of Education, although the data had to be refined for our study purposes.[1]

Extending the vocational education FTE definition to be similar to membership hours rather than attendance hours, resulted in a working assumption for study purposes of one FTE being equal to 900 membership hours.[2]

For regular education programs (K-12 grade level curriculum) student membership data for each district were available from the Department of Education, and each student member

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[1] 1972-73 was the first year of implementation of FTE student accounting in vocational education, but it was used for post-secondary programs only. In cooperation with the Department of Education estimates of FTE students were made for K-12 students.

[2] A vocational FTE was defined as 810 student attendance hours. The rationale for 810 was that, statutorily, a full-time student attended school five hours per day for 180 days, or 900 hours. A subtraction allowance of ten percent, or 90 hours, was then made to account for absentees. Converting from an attendance to a membership basis would yield a 900 hour definition.

was assumed to be one FTE. For special programs of vocational and exceptional education, the Department of Education provided estimates of FTE based on the 900 hour definition for both full-time and part-time students in each county.[1]

To avoid double counting part-time vocational or exceptional students who also attended the regular program, the FTE in part-time vocational and exceptional programs were subtracted from the regular program (a membership in the regular program was assumed to be 900 hours) thereby yielding net FTE students in the respective programs.

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[1]The finance study team worked closely with the Department of Education in developing a methodology for this purpose.

Weights or Cost Factors

The finance study utilized for research and simulation purposes a set of weights derived from its own research together with weights suggested by the National Education Finance Project, and the weights used in some other states. But, the finance study did not stress any particular set of weights in its recommendation. Rather it was recommended that the Department of Education and other researchers embark upon a cost-effectiveness analysis to determine the best weights. Below is a brief review of the theoretical aspects of weights, and practical problems and solutions of determining the weights (cost factors is the terminology preferred in Florida) which were incorporated into the new finance law.

At the theoretical level, there are three primary objectives for weights in a state funding formula. (1) Weights are a means to explicitly recognize and fund the relatively higher costs of some education programs. (2) If a state accepts, as did Florida, the objective of providing like amounts of dollars to like students in all school districts (e.g. same dollars for a particular type of exceptional child), then whenever the frequency of attendance in particular education programs, as measured by the ratio of students in that program to total students, differs significantly between school districts, separate program definitions and weights are needed. If the ratios between districts were similar, the

basic state distribution per student to all districts could be increased uniformly thereby funding (but only implicitly) the higher costs of some programs. (3) Weights can operationally express legislative policy.

At the practical level, several classifications of exceptional child and vocational education programs were already identified in the existing Florida finance formula. Although weighted on a classroom (or a group of students) basis, there existed nevertheless, weightings which could be used in a new system of finance. In addition to replicating the weights in an existing school finance system, weights can also be determined from (1) acutal past expenditure data, and (2) from the expenditure per pupil (in each program) to achieve optimum performance.[1]

While the last way is the ideal--and the Florida School Finance Study recommended strongly the use of input-output (cost-effectiveness) analysis to determine weights in the future--the present state-of-the-art and available data do not facilitate this approach. Furthermore, resource constraints precluded the finance study team (and the legislature) from researching "optimum weights".

The method of deriving weights from actual past expenditures is considerably less difficult (conceptually and analytically) than the cost-effectiveness method. But, expenditure data are not usually maintained in an education program format so expenditures on individual programs are largely un-

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[1]Appendix I contains a memo this writer distributed to a legislative hearing on the topic of weights, or cost factors.

known. Fortunately, vocational education in Florida had been subjected to an extensive cost analysis for the past two years. As a move toward the highest level of determining weights, the Citizens' Committee finance study recommended the use of these data for determining weights for vocational education. And the Finance Act of 1973 used this approach for vocational education.

But, expenditure data on other programs -- regular and special exceptional child programs -- were unavailable. Therefore, a synthesis of implied weights from other states and studies were used in simulating alternative finance systems. Generally, the legislative policy objective for the year of transition between the existing school finance formula (a classroom) weighted system) and the new student weighted system was to replicate the weights from one formula to the other. The effect of this was two-fold. One, it lessened the fiscal disturbance caused by changing formulas. Two, it allayed fears of change through assurances that the new formula initially would be similar to the old formula.[1]

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[1]Further assurance against loss of funds due to a change in the finance formula was provided by a rather liberal "no-loss guarantee" which was written into law.

However, there were three notable exceptions to the replication policy. (1) As stated, vocational education weights were based on past expenditures. (2) A legislative policy decision to emphasize the educational importance of lower grade levels resulted in a 20 percent higher weight (than grades 4-10) for kindergarten through grade three. (3) Since senior high grades generally cost more than other grade levels because of lower pupil-teacher ratios, enrichment programs, etc., the legislature provided a 10 percent overide for grades 11 and 12.

All this discussion about weights becomes academic if, in fact, actual expenditure patterns differ significantly from funding formula generation patterns. The Citizens' Committee finance study found that school district expenditures were often vastly different than the state finance formula weightings. In order for legislative policy, as expressed by funding weights, to have an impact at the operational level, then program expenditure guidelines are required. And the Finance Act of 1973 mandates each district to account for and report expenditures of all state, local and federal funds on a school-by-school and program basis. Furthermore, by the 1974-75 fiscal year, 90 percent of the current operating funds of the Finance Act will be required to be spent in the programs and schools which generated the funds, a requirement which will ensure legislative policy implementation.

In the future, legislative policy decisions will most assuredly focus on weights. As present program expenditure patterns become known and as performance measures are linked to program imputs, weights should change to reflect the highest marginal utility for the least cost.

Needed: An Information Revolution

For several years the legislature in Florida had been trying to establish better information systems. If change in information systems was to come, this was the year with the money and the momentum. Moreover, specific kinds of data were needed for effectively continuing the new finance program. Each year cost factors would be a focal point of legislative decision-making. This year the cost factors generally represented the old MFP. But, next year cost factors would undoubtedly change--either by pure political force without data or by more rational forces with data.

At the very least the current program expenditures had to be known. Then questions could be raised which would exert pressure on a more definitive rational for current practice or proposed changes. In time, one effect of the new finance program should be to stress efforts to collect and analyze educational productivity and output measures which in turn would suggest changes in cost factors.

MARKETING THE RECOMMENDATIONS

Timing

The charge from the Governor called for a report from the Citizens' Committee to the Governor and the Legislature thirty days prior to the opening of the legislative session in April, 1973. Thus, it was permissible to present this report as late as March, 1973. Although the full Citizens' Committee report, Improving Education in Florida, is dated March 15, 1973, you will note that the Florida School Finance Study is dated January, 1973.

On January 10, 1973, the first full draft of the finance study was discussed at a meeting of the Advisory Council. Soon thereafter, a set of recommendations which closely resembled the study team recommendations on finance were enthusiastically approved by the Citizens' Committee and widely disseminated.[1] While the full Citizens' Committee report was not printed and distributed until late March, 1973, draft copies of the finance recommendations were made available to all members of the legislature, school board members, district superintendents and others early in February, 1973. This allowed about a two-month

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[1]The Citizens' Committee recommendations were styled in an easy-to-read form with a brief rationale preceding each recommendation. These recommendations are shown in Appendix J as they appear in the full Citizens' Committee report, Improving Education in Florida.

period prior to the beginning of the legislative session in April for legislators and others to discuss, digest and react to the recommendations. In this writer's opinion, sufficient lead time for distribution of recommendations was an extremely important aspect of the dissemination process.

Consensus Building

From the initial distribution time forward, the objective was consensus building among various interest groups, the legislature and the general public. A statewide conference, jointly sponsored by the Florida League of Women Voters and a council of 100 leading businessmen, was held in Tampa to publicly discuss the recommendations. Key legislators were invited to a panel discussion of the finance recommendations during this two-day conference along with members of the finance study team. Nationally recognized invited speakers publicly judged the study as "first rate". Consensus began to build.

Other conferences and meetings were held around the state. Legislators told a superintendent's conference of the finance reform on the horizon. Newspaper articles were supportive.[1] The School Board Association and Florida Education Association supported the change.

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[1]Appendix K contains illustrative newspaper accounts.

The Education Finance Committees of the two houses of the Legislature formed a joint committee. They met in Gainesville to hear R. L. Johns, Kern Alexander and Forbis Jordan report the findings and recommendations of the National Education Finance Project study in Florida which were similar to this study. The joint committee met a half dozen times in Tallahassee to hear the pros and cons from the Department of Education, to get advice from representatives of local school districts, and to draft bills. An advisory council to the joint committee comprised of school district finance officers and a superintendent was formed.

Legislative Data Needs

In order to implement the recommendations of the Florida School Finance Study, the Legislature needed current data displayed in a somewhat simplified form. The reform had to be simple enough for most people to understand, yet it encompassed a program which in 1972-73 distributed three quarters of a billion dollars in state money to 67 school districts.

Unfortunately, the latest data available for use in the Florida School Finance Study was for 1970-71. And this was too old for projecting 1973-74 district distributions. Furthermore, even with more current data, the NEFP adapted computer simulation, which served as an analytical tool during the study, was too generic, comprehensive and costly to run for the specific needs of the Legislature.

This writer, together with Gene Barlow, a consultant to the finance study team, developed a new computer program suitable to the immediate needs of the Legislature. As shown in Appendix L, the output was in a simple format and could be used for both explaining the new finance system and simulating alternative distribution schemes. The simulation could be run either as a self-generator by starting with a given dollar value for a cost factor (weight) of 1.0 (the dollar value for a student in given grade levels) to derive a total cost, or it could begin with a fixed budget to derive the dollar value equal to 1.0.

Two essential sets of data were needed for the legislature to run alternative distribution schemes for the following year: estimated 1973-74 FTE students in each school district; and, property tax assessment rolls.

Prior to serious legislative deliberation, initial estimates of the number of FTE students in each district were made at the state level, as discussed previously in this paper. However, during the Legislative session, a form was developed by this writer and the Department of Education which was sent to the districts requesting FTE data for the current year.[1] When these data were returned, projections to 1973-74 were made.

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[1]The problem of a definition of an FTE student was debated in the Legislature for a considerable period of time. Some legislators and many educators favored a definition of 900 student membership hours to equal one FTE, while others proposed a definition less related to time which, therefore, would have less impact on local curriculum decisions. But during the Legislative session, both definitions had to be explored empirically. The questionnaire for collecting these data appears in Appendix M.

Property tax assessment rolls equalized by a ratio study would be available from normal administrative channels. But due to a Florida Supreme Court decision, these data could not be used.[1] Suffice to say that a decision was made to use estimated 1973-74 property tax assessments.

During the legislative session, this writer and staff from both houses of the legislature drafted version after version of the finance bill. And each new version required accompanying data, and the fiscal impact upon the various counties. At least thirty different drafts were written -- some days two or three versions were produced for legislative committee meetings. The large number of alternative distribution schemes prepared is suggested by the number of variables involved: weights for 26 identified education programs, dollar values for the base weight of 1.0, alternative means and degree of equalization, procedures for and amount of cost of living adjustments, methodology for capital outlay financing, and several dollar amounts for categorical aid programs.

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[1] While the problems and solutions of equalized property tax assessment were crucial to the implementation of the finance system, they are beyond the scope of this paper.

With timely distribution of the Citizens' Committee recommendations, a building of public and interst groups concensus, a Governor and legislative commitment, and necessary staff support, change appeared imminent; but could it be effected for the coming year? The Department of Education thought not. But legislators knew the following year was elections, and the continuity of the legislature might be disrupted at a time when it was very much needed.

THE NEW FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Change did occur for the coming year, and very significantly so. The existing MFP was completely replaced with the Florida Education Finance Program Act of 1973. Significant features of this act include: substantially increased equalization;[1] a systematic plan and state commitment to meet the need for school facilities; increased responsibility and flexibility to local school districts, and; a comprehensive management information and cost accounting system, including school-by-school and program-by-program reporting requirements.

The intent of the Legislature, as expressed in the act, is to guarantee to each public school student the availability of programs and services appropriate to his educational needs, which are substantially equal to those available to any other similar student, notwithstanding geographical differences and varying local economic factors. An additional purpose of the

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[1]This writer estimates that in 1973-74 the equalization effect of the Florida Education Finance Program Act is to lower to less than 13% the difference between the amount of dollars per FTE student who lives in the largest rich school district (Palm Beach with $952 per student) and the largest poor school district (Hillsborough with $844 per student). In other words, Florida will achieve 87% equalization of funds between these districts. And in 1974-75, the amount of equalization will increase to well over 90%, given the existing statutes for 1974-75.

act is to increase the responsibility and authority of local school districts in matters of instructional organization and method, and in seeking more effective and efficient means of achieving the goals of the various programs.

Table 5 shows in some detail the mechanics of the new Act.

TABLE 5

A FUNDING FORMULA FLOW CHART

OF

THE FLORIDA EDUCATION FINANCE PROGRAM

Step		
1.	FTE Student Members	Full-time equivalent student membership were initially estimated by state administrators. The FTE data collection instrument in Appendix was used to gather information from each of the school districts for determining the district allocations prior to the final vote by the legislature.
	times	
2.	Base Student Cost	The dollar value equal to the cost factor of 1.0. A value of $587 was determined by allocating the "available" dollars among all elements of state aid.
	times	
3.	Cost Factors	Relative cost differences between educational programs. The objective was to duplicate the weights in the old funding system, with certain exceptions. The cost factors of 1.2 in kindergarten throuth grade 3, and 1.1 in grades 11 and 12 were policy decisions of the legislature. Cost factors for vocational programs were based on studies of actual expenditures.
	plus	
4.	Compensatory Education	A supplement to low income, low achieving students. The policy decision placed the value for this at five percent of the dollar value of 1.0, or about $29 per student (.05 X $587=$29).
	times	
5.	Cost of Living	Adjustment based on cost of living in each school district which assures equal purchasing power of educational dollars. (Steps 1-4 times cost of living factor for each district). Cost of living indexes resulted from an intensive study using the U. S. Bureau of Labor statistics methodology which was conducted the previous year.
	plus	
6.	Ad Valorem Tax Equalization	State Dollar guarantee per student on each of the 8th, 9th, and 10th mills levied by school districts. A guarantee to each district of seven percent of the dollar value of 1.0, or about $41.00 per FTE student (.07 X $587=$41).
	plus	

7.	Categorical Program Funds	New programs or programs not directly related to number of students (such as transportation).
	minus	
8.	Required Local Effort	Required local contribution to state-local partnership in financing school. A total statewide dollar figure was set by the legislature. Each district's share of the statewide total is the ratio of their assessed valuation to the total statewide assessed valuation.
	equals	
9.	Total State Operating Fund	Result of Steps 1-8.
10.	School Construction & Debt Service Funds	A systematic formula based on capital outlay and debt service needs. Also provides for the utilization of rented or leased facilities, and relocatable school facilities at school centers where there is reason to believe the pupil population is unstable or projected to decline.

RECOMMENDATIONS FOR A STATE SCHOOL FINANCE STUDY

Although the experiences of the Florida School Finance Study, both in terms of the study process and legislative enactment, may not be wholly transferable to other states, there nonetheless are several generalized conclusions which were evident.

(1) The composition of the overseers of the study should broadly represent the public, and should include legislators.

(2) The study should be delimited so that it is consistent with resources and time available. Moreover, the study objectives should not go beyond the technical expertise of the study team. Yet, the study should comprehensively analyze educational finance including inter and intradistrict equity, and things such as the effects of one part of the education system (e.g. elementary and secondary schools) or another part of the system (e.g. higher education).

(3) An advisory council to the study consisting of state and nationally recognized experts can lend considerable credibility -- technically and politically -- to the recommendations.

(4) Sufficient lead time -- in advance of legislative or administrative enactment -- for the distribution and discussion of the recommendations is an important aspect of the dissemination process.

(5) The study team should solicit advice, suggestions and comments on the study objectives, criteria, methodology and tentative findings. An open study process which is communicated to all interested persons--board or committee overseeing the study, teacher and school board associations, superintendents, finance officers, administrators and legislators--not only will avail the study team of previsouly thought-out issues and strategies for change, but also will create a spirit of esprit de corp with widespread involvement. And involvement at the study stage promotes involvement and support at the implementation stage.

(6) To the extent possible, the recommendations should be presented as a "package" which fits together to achieve specified objectives.

(7) The study team should operate as independent researchers, drawing their own conclusions and making their own recommendations.

(8) In the heuristic research and in the initial data gathering stages personal interviews were preferred over telephone or written communication.

(9) Data needs should be evaluated in terms of their contributions to the objectives of the study. Certain data such as outlined in this report, are "musts" for certain objectives, regardless of costs to collect, while much data can be supportive only. Isolate the two kinds of data in order to determine if the study objectives can realistically be achieved with available resources.

(10) Plan for the study team (or members of the team) to work closely with the agency (legislature or state education agency) which will enact the recommendations.

(11) An in-depth study of school finance requires rather sophisticated computer capabilities--both hardware and software. Existing computer programs which can be adapted to your needs should be explored thoroughly.